

Senate Engrossed

State of Arizona
Senate
Forty-sixth Legislature
Second Regular Session
2004

CHAPTER 156

SENATE BILL 1238

AN ACT

AMENDING SECTION 16-921, ARIZONA REVISED STATUTES; RELATING TO CAMPAIGN
CONTRIBUTIONS AND EXPENSES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 16-921, Arizona Revised Statutes, is amended to
3 read:

4 16-921. Unlawful contributions by corporations and labor
5 organizations from a fund; procedures; definitions

6 A. It is unlawful under any fund established by a corporation or labor
7 organization pursuant to section 16-920, subsection A, paragraph 3:

8 1. For such a fund to make a contribution or expenditure by utilizing
9 money or anything of value secured by physical force, job discrimination,
10 financial reprisals or the threat of force, job discrimination or financial
11 reprisal or by dues, fees or other monies required as a condition of
12 membership in a labor organization or as a condition of employment or by
13 monies obtained in any commercial transaction.

14 2. For any person soliciting an employee for a contribution to such
15 a fund to fail to inform such employee of the political purposes of such fund
16 at the time of such solicitation.

17 3. For any person soliciting an employee for a contribution to such
18 a fund to fail to inform such employee, at the time of such solicitation, of
19 his right to refuse to so contribute without any reprisal.

20 B. Except as provided in subsections C, and D AND E of this section
21 it is unlawful for a corporation, or a separate segregated fund established
22 by a corporation, to solicit contributions to such a fund from any person
23 other than its stockholders and their families and its executive or
24 administrative personnel and their families and for a labor organization, or
25 a separate segregated fund established by a labor organization, to solicit
26 contributions to such a fund from any person other than its members and their
27 families.

28 C. A corporation or a separate segregated fund established by such
29 corporation may make no more than two written solicitations for contributions
30 during the calendar year from any employee who is not a stockholder or
31 executive or administrative personnel of such corporation or the families of
32 such persons. A solicitation under this subsection may be made only by mail
33 addressed to employees who are not stockholders or executive or
34 administrative personnel at their residence.

35 D. AN INSURER THAT IS LICENSED IN THIS STATE OR A SEPARATE SEGREGATED
36 FUND ESTABLISHED BY SUCH INSURER MAY MAKE NO MORE THAN TWO WRITTEN
37 SOLICITATIONS FOR CONTRIBUTIONS DURING THE CALENDAR YEAR FROM PERSONS WHO ARE
38 LICENSED INSURANCE PRODUCERS AND WITH WHOM IT HAS A CONTRACT TO PRODUCE
39 INSURANCE BUSINESS. THOSE SOLICITATIONS ARE LAWFUL ONLY IF THE INSURANCE
40 PRODUCER HAS AN EXCLUSIVE CONTRACT WITH THE INSURER. THIS SUBSECTION DOES
41 NOT CHANGE AN INSURANCE PRODUCER'S STATUS AS AN INDEPENDENT CONTRACTOR.

42 ~~D.~~ E. A labor organization or a separate segregated fund established
43 by such labor organization may make no more than two written solicitations
44 for contributions during the calendar year from any stockholder, executive
45 or administrative personnel or employee of a corporation who is not a union

1 member, or the families of such persons, if such labor organization
2 represents members working for such corporation. A solicitation under this
3 subsection may be made only by mail addressed to such stockholders, executive
4 or administrative personnel or employees who are not union members at their
5 residences.

6 ~~F.~~ F. This section shall not prevent a membership organization,
7 cooperative or corporation without capital stock, or a separate segregated
8 fund established by a membership organization, cooperative or corporation
9 without capital stock, from soliciting contributions to such a fund from
10 members of such organization, cooperative or corporation without capital
11 stock.

12 ~~F.~~ G. This section shall not prevent a trade association, or a
13 separate segregated fund established by a trade association, from soliciting
14 contributions from the stockholders and executive or administrative personnel
15 of the member corporations of such trade association and the families of such
16 stockholders or personnel.

17 ~~G.~~ H. Notwithstanding any provision of law to the contrary, any
18 method of soliciting voluntary contributions or of facilitating the making
19 of voluntary contributions to a separate segregated fund established by a
20 corporation, permitted by law to corporations with regard to stockholders and
21 executive or administrative personnel, shall also be permitted to labor
22 organizations with regard to their members.

23 ~~H.~~ I. Any corporation, including its subsidiaries, branches,
24 divisions and affiliates, that utilizes a method of soliciting voluntary
25 contributions or facilitating the making of voluntary contributions shall
26 make available such method, on written request and at a cost sufficient only
27 to reimburse the corporation for the expenses incurred thereby, to a labor
28 organization representing any members working for such corporation, ~~AND~~ its
29 subsidiaries, branches, divisions and affiliates.

30 ~~I.~~ J. For THE purposes of this section, ~~the term:~~

31 1. "EXCLUSIVE CONTRACT" MEANS EITHER:

32 (a) AN INSURANCE PRODUCER'S CONTRACT WITH AN INSURER THAT PROHIBITS
33 THE PRODUCER FROM SOLICITING INSURANCE BUSINESS FOR ANY OTHER INSURER.

34 (b) AN INSURANCE PRODUCER'S CONTRACT WITH AN INSURER THAT REQUIRES A
35 FIRST RIGHT OF REFUSAL ON ALL LINES OF INSURANCE BUSINESS WRITTEN BY THE
36 INSURER AND SOLICITED BY THE PRODUCER.

37 2. "Executive or administrative personnel" means individuals who are
38 employed by a corporation and who are paid on a salary, rather than hourly,
39 basis and who have policymaking, managerial, professional or supervisory
40 responsibilities.

41 3. "INSURANCE PRODUCER" HAS THE SAME MEANING AS PRESCRIBED IN SECTION
42 20-281.

APPROVED BY THE GOVERNOR APRIL 23, 2004.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 23, 2004.

Passed the House April 15, 2004

by the following vote: 40 Ayes,

16 Nays, 4 Not Voting

Jake Flake
Speaker of the House

Norman L. Fyore
Chief Clerk of the House

Passed the Senate February 23, 2004
29

by the following vote: _____ Ayes,

0 Nays, 1 Not Voting

Ken Bennett
President of the Senate

Charmian Billington
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

19th day of April, 2004

at 3:02 o'clock P. M.

Jennifer Lybatta
Secretary to the Governor

Approved this 23 day of

April, 2004,

at 2⁰⁰ o'clock P. M.

J. R. Nagel
Governor of Arizona

S.B. 1238

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State
this 23 day of April, 2004,

at 3:05 o'clock P. M.

Janice K. Brewer
Secretary of State